



WEEKLY HIGHLIGHTS

June 10, 2010

Contents

Article/ Calendar

Grain Transportation Indicators

Rail

Barge

Truck

Exports

Ocean

Brazil

Mexico

Quarterly Updates

Specialists

Subscription Information

The next
release is
June 17, 2010

Agricultural Commodity and Utility Carriers Hours of Service Exemption Analysis on FMCSA Website

In May, the U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) released on its website a two phase study analyzing the safety of agricultural and utility carriers that are exempt from the hours of service (HOS) regulations. Phase 1 of the study found that nationally agricultural carriers with 100 percent of drivers operating within a 100-air-mile radius had lower crash rates than those with all drivers operating beyond this radius, except for 2008, when there was no difference in the crash rates. Phase 2 was conducted to assess the safety performance of the HOS-exempt agricultural commodity and utility service carriers in comparison with nonexempt carriers based on their out-of-service violation rates and crash rates. In the comparison of crash rates between exempt and non-exempt carriers, no measurable statistical significance difference was revealed. The study can be viewed at: <http://www.fmcsa.dot.gov/facts-research/research-technology/analysis/Agricultural-Commodity-Utility-Carriers-HOS-Exemption.pdf>

Low Commodity Prices May be Affecting Short-term Transportation Demand

Commodity prices that are lower than last year at this time may be encouraging farmers to delay selling, thus affecting the short-term demand for transportation. For the week ending June 4, the Gulf export elevator bid prices for corn, soybean and wheat were \$3.84, \$9.99 and \$5.10 per bushel, respectively—down \$0.99, \$2.87 and \$2.71 per bushel compared to the same period last year. Average farm prices received for corn, soybeans, and wheat during May were down \$0.55, \$1.42 and \$1.45 per bushel, respectively, compared to last year. The new crop-old crop futures spreads are mixed for corn and soybeans. For soybeans, higher old crop relative to new crop prices could be encouraging more soybeans to enter the market in the short term. For corn, lower old crop prices could be encouraging farmers to hold off selling old crop stocks. Grain loading activity in the U.S. Gulf has also been very slow. Only 33 ocean-going vessels were loaded, and 33 more were expected in the next 10 days during the week ending June 3—down 8 and 33 percent, respectively, from the same period last year.

Total Grain Inspections Continue Down but Wheat Rebounds

Total inspections of grain (corn, wheat, and soybeans) from all major U.S. export regions for the week ending June 3 reached 1.21 million metric tons (mmt), down 21 percent from the past week and 7 percent below last year. Inspections dropped because less corn was destined to Asia and South America. Total wheat inspections (0.380 mmt) however rebounded from the previous week, increasing 20 percent as shipments to Asia and Central America escalated. Inspections of wheat were up in the Pacific Northwest (PNW) and Mississippi Gulf. Soybean inspections (0.104 mmt) were about the same as the past week.

Snapshots by Sector

Rail

U.S. railroads originated 19,784 **carloads of grain** during the week ending May 29, down 3 percent from the previous week, up 20 percent from the same week last year, and 2 percent higher than the 3-year average.

During the week ending June 5, average June **secondary railcar bids/offers** were \$4 above tariff for non-shuttle, \$2 higher than last week. Shuttle rates were \$334 below tariff, \$69 lower than last week.

Ocean

During the week ending June 3, 33 **ocean-going grain vessels** were loaded in the Gulf, down 8 percent from last year. Thirty-three vessels are expected to be loaded in the U.S. Gulf within the next 10 days, down 31 percent from last year.

Feature Article/Calendar

U.S. Soybean Transportation Cost Up But Lower than Brazil

The winter closing of the upper segment of the Mississippi River system caused soybean shippers to use rail instead of barges for the upper river segment of the shipment to the Mississippi Gulf ports. This caused an increase in the transportation cost of shipping soybeans from the United States to both China and Europe, but remained lower than transportation costs from Brazil. Compared to the previous quarter, the cost of shipping soybeans from Minneapolis, MN, and Davenport, IA, to Hamburg, Germany, during the first quarter 2010 increased 14 and 9 percent, respectively, (table 1) and the cost of shipping from those locations to Shanghai, China, increased 10 and 7 percent (table 2).

In past years, the Army Corps of Engineers opened the river toward the end of the winter quarter. However, the river was completely closed this year for the duration of the winter quarter because of scheduled maintenance. Closure of the river required shipments to be routed to St. Louis, MO, by rail and then transported by barge to New Orleans for shipment overseas. The shorter distance from Davenport to St. Louis may have provided a cost advantage to Iowa shippers, despite a higher per carload per mile tariff (plus fuel surcharge) rate, since Davenport is only 265 miles away from St. Louis, compared to 675 miles for Minneapolis.

Table 1-Quarterly costs of transporting soybeans from U.S. and Brazil to Hamburg, Germany

	2009 1 st qtr.	2009 4 th qtr.	2010 1 st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.	2009 1 st qtr.	2009 4 th qtr.	2010 1 st qtr.	Percent change Yr. to Yr.	Percent change Qtr. to Qtr.
United States										
Minneapolis, MN --\$/mt--					Davenport, IA --\$/mt--					
Truck	8.17	11.38	10.46	28.03	-8.08	8.17	11.38	10.46	28.03	-8.08
Barge	22.42	33.50	10.86	-	-	17.12	26.51	10.86	-	-
Ocean ¹	16.88	26.38	24.92	47.63	-5.53	16.88	26.38	24.92	47.63	-5.53
Rail	-	-	34.74	-	-	-	-	23.84	-	-
Total transportation ²	47.47	71.26	80.98	70.59	13.64	42.17	64.27	70.08	66.18	9.04
Farm Value ³	346.00	346.86	340.98	-1.45	-1.70	350.66	351.51	346.00	-1.33	-1.57
Landed Cost	393.47	418.12	421.96	7.24	0.92	392.83	415.78	416.08	5.92	0.07
Transport % of landed cost	12.06	17.04	19.19			10.73	15.46	16.84		
Brazil										
North MT⁴ - Santos⁵ --\$/mt--					South GO⁴ - Paranagua⁵ --\$/mt--					
Truck	81.73	106.95	113.10	38.38	5.75	41.70	56.01	61.86	48.35	10.44
Ocean ⁶	34.10	31.08	32.25	-5.43	3.76	35.50	30.53	31.83	-10.34	4.26
Total transportation ²	115.83	138.03	145.35	25.49	5.30	77.20	86.54	93.69	21.36	8.26
Farm Value ⁷	264.63	369.07	261.05	-1.35	-29.27	288.68	371.29	309.89	7.35	-16.54
Landed Cost	380.46	507.10	406.40	6.82	-19.86	365.88	457.83	403.58	10.30	-11.85
Transport % of landed cost	30.44	27.22	35.77			21.10	18.90	23.21		

¹Source: O'Neil Commodity Consulting

³Source: USDA/NASS

⁴Producing regions: MT= Mato Grosso, GO = Goiás

⁵Export ports

⁶Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS; 1st quarter 2009 values revised for previous estimates

⁷Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Note: Total may not add exactly due to rounding

Truck and ocean rates declined during the quarter by 8 and 5.5 percent, respectively, because of the completion of the grain harvest during the previous quarter. Ocean rates declined during the quarter partly because the global economy has not fully recovered from the economic recession.

In Brazil, the cost of shipping soybeans from North Mato Grosso and South Goiás to Hamburg, Germany increased 5 and 8 percent from the previous quarter. The costs of shipping from the same locations to Shanghai increased by 2 and 4 percent during the quarter. Brazilian truck rates increased during the quarter mainly because of a record soybean harvest, causing

causing congestion at truck unloading export terminal facilities (**Brazil Soybean Transportation, dated 5/12/10**). Ocean rates for shipments to Hamburg increased, but rates to Shanghai decreased.

Soybean farmers in both the United States and Brazil received lower prices for their products, with U.S. farm prices falling by 2 percent while the Brazilian farm prices fell as much as 17–29 percent, in part due to a large imminent spring harvest. Despite lower transportation costs from the United States, total landed costs from Brazil were lower during the quarter.

Table 2-Quarterly costs of transporting soybeans from U.S. and Brazil to Shanghai, China

	2009 1 st qtr.	2009 4 th qtr.	2010 1 st qtr.	Percent change Yr. to Yr.	Qtr. to Qtr.	2009 1 st qtr.	2009 3 rd qtr.	2010 1 st qtr.	Percent change Yr. to Yr.	Qtr. to Qtr.	
United States	Minneapolis, MN --\$/mt--					Davenport, IA --\$/mt--					
	Truck	8.17	11.38	10.46	28.03	-8.08	8.17	11.38	10.46	28.03	-8.08
	Barge	22.42	33.50	10.86	-	-	17.12	26.51	10.86	-	-
	Ocean ¹	35.47	65.64	65.54	84.78	-0.15	35.47	65.64	65.54	84.78	-0.15
	Rail	-	-	34.74	-	-	-	23.84	-	-	-
	Total transportation ²	66.06	110.52	121.60	84.08	10.03	60.76	103.53	110.70	82.19	6.93
	Farm Value ³	346.00	346.86	346.86	0.25	0.00	350.66	351.51	351.51	0.24	0.00
	Landed Cost	412.06	457.38	468.46	13.69	2.42	411.42	455.04	462.21	12.35	1.58
	Transport % of landed cost	16.03	24.16	25.96			14.77	22.75	23.95		
Brazil	North MI ⁴ - Santos ⁵ --\$/mt--					South GO ⁴ - Paranagua ⁵ --\$/mt--					
	Truck	81.73	106.95	113.10	38.38	5.75	41.70	56.01	61.86	48.35	10.44
	Ocean ⁶	64.50	55.63	52.33	-18.87	-5.93	65.70	54.23	52.50	-20.09	-3.19
	Total transportation ²	146.23	162.58	165.43	13.13	1.75	107.40	110.24	114.36	6.48	3.74
	Farm Value ⁷	264.63	369.07	261.05	-1.35	-29.27	288.68	371.29	309.89	7.35	-16.54
	Landed Cost	410.86	531.65	426.48	3.80	-19.78	396.08	481.53	424.25	7.11	-11.90
	Transport % of landed cost	35.59	30.58	38.79			27.12	22.89	26.96		

¹Source: O'Neil Commodity Consulting

³Source: USDA/NASS

⁴Producing regions: MT= Mato Grosso, GO = Goiás

⁵Export ports

⁶Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS; 1st quarter 2009 values are revised from previous estimates

⁷Source: Companhia Nacional de Abastecimento (CONAB) www.conab.gov.br

Note: Total may not add exactly due to rounding

U.S. transportation shares of the landed cost ranged from 17–19 percent for shipments to Hamburg and 24–26 percent for shipments to Shanghai. On the other hand, the transportation share of the landed cost in Brazil ranged from 23–36 percent for shipments to Hamburg and 27–39 percent for shipments to Shanghai.

Market Outlook: According to USDA's inspection data, a total of 7.41 million metric tons (mmt) of soybeans were inspected for export to China during the first quarter of 2010. Although this is 43 percent less than a record 12.96 mmt during the fourth quarter of 2009, it is 11 percent more than first quarter 2009. China soybean imports are forecast to increase by 4 percent during the marketing year (MY) 2010/11 to 42.5 mmt, driven in part by increasing demand for vegetable oils and animal products as consumers respond to GDP growth in 2010 (**FAS, GAIN Report # CH10006**). Despite the efforts of the Chinese government to boost oilseed production, significant expansion of planted area in China is not expected as the returns received from oilseeds by farmers remained lower than competing crops in MY 2009/10. If China's oilseed production

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators¹

Week ending	Truck	Rail ²	Barge	Ocean	
				Gulf	Pacific
06/09/10	198	100	163	313	270
06/02/10	200	97	174	320	291

¹Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = Illinois River barge rate (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

²The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads (\$/bushel)

Commodity	Origin--Destination	6/4/2010	5/28/2010
Corn	IL--Gulf	-0.66	-0.67
Corn	NE--Gulf	-0.76	-0.76
Soybean	IA--Gulf	-0.94	-0.96
HRW	KS--Gulf	-1.15	-1.10
HRS	ND--Portland	-1.30	-1.30

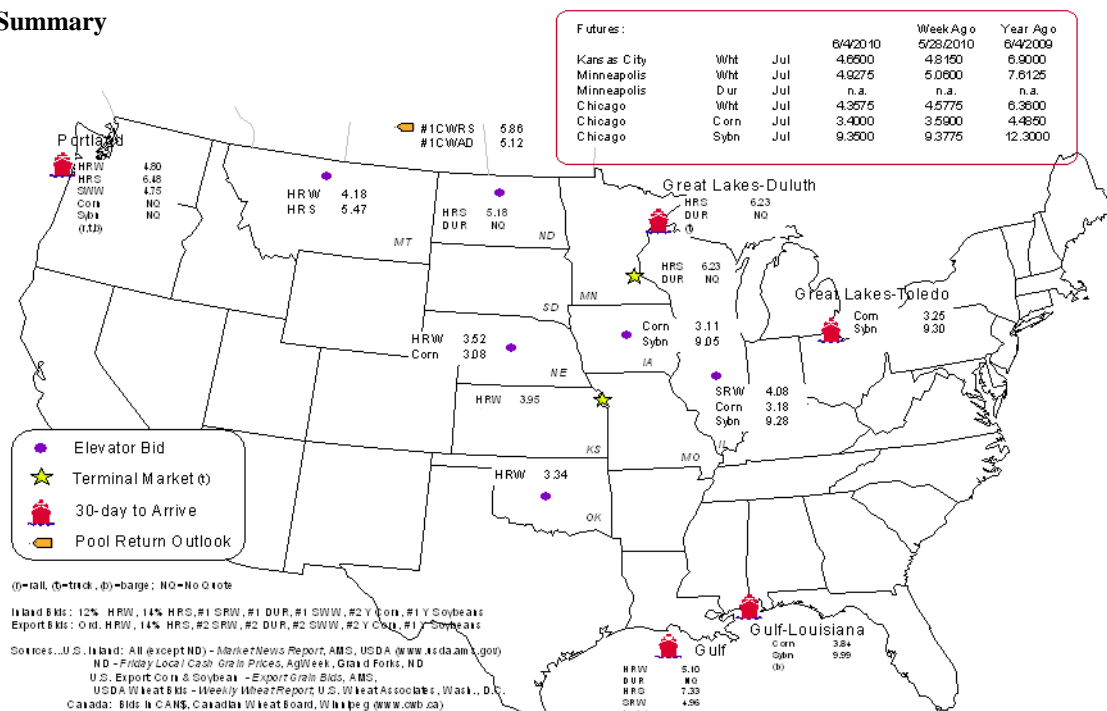
Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid Summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)¹

Week ending	Mississippi		Cross-Border	Pacific	Atlantic &	Total
	Gulf	Texas Gulf	Mexico	Northwest	East Gulf	
6/02/2010 ^p	208	715	617	3,151	252	4,943
5/26/2010 ^r	201	786	979	3,216	136	5,318
2010 YTD	7,528	30,119	20,305	73,979	16,934	148,865
2009 YTD	13,028	19,862	17,725	71,310	11,783	133,708
2010 YTD as % of 2009 YTD	58	152	115	104	144	111
Last 4 weeks as % of 2009 ²	65	129	105	147	74	125
Last 4 weeks as % of 4-year avg. ²	31	69	99	82	76	78
Total 2009	33,423	57,646	36,738	175,965	30,328	334,100
Total 2008	68,768	107,542	37,491	255,852	33,028	502,681

¹ Data is incomplete as it is voluntarily provided

² Compared with same 4-weeks in 2008 and prior 4-year average.

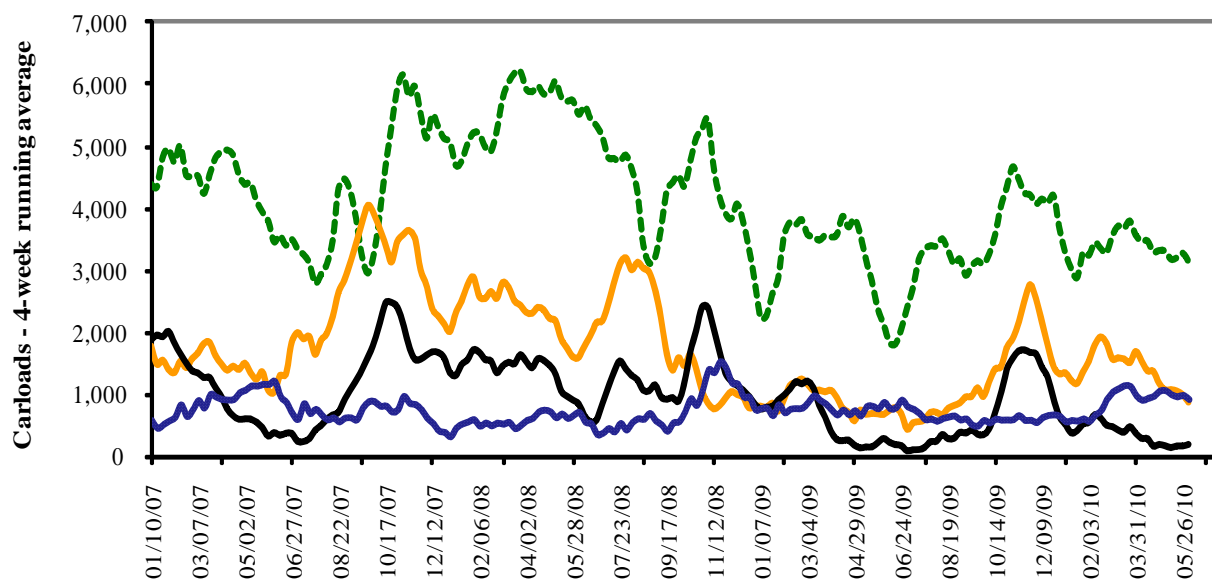
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 35 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



----- Pacific Northwest: 4 Wks. ending 6/02-- up 47% from same period last year; down 18% from 4-year average
----- Texas Gulf: 4 wks. ending 6/02-- up 29% from same period last year; down 31% from 4-year average
----- Miss. River: 4 wks. ending 6/02 -- down 35% from same period last year; down 69% from 4-year average
----- Cross-border Mexico: 4 wks. ending 6/02 -- up 5% from same period last year; down 1% from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

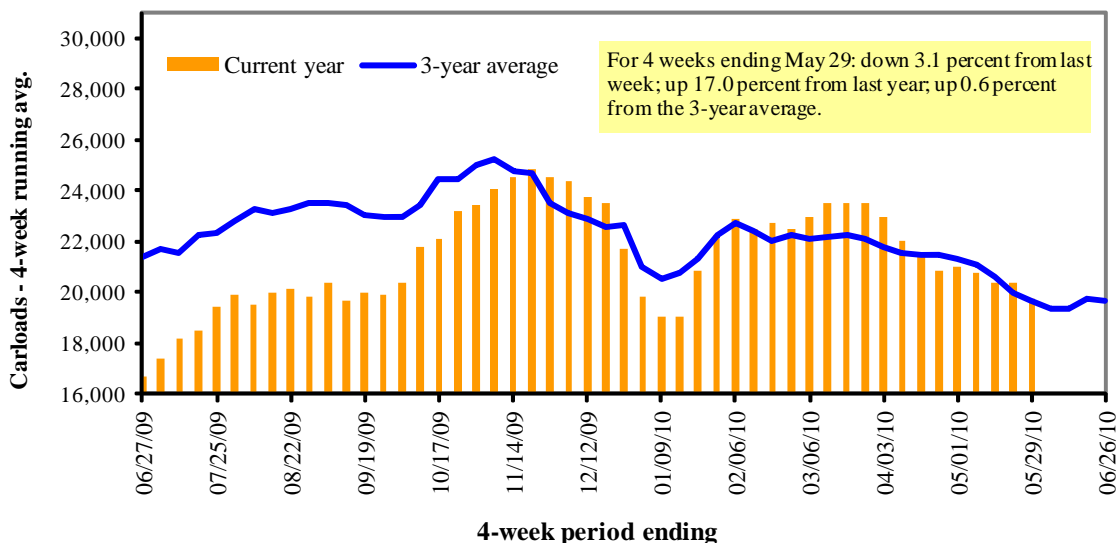
Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
05/29/10	2,477	3,071	9,305	691	4,240	19,784	3,924	4,935
This week last year	1,523	2,850	7,477	914	3,765	16,529	3,743	4,512
2010 YTD	47,904	64,625	217,002	16,191	111,969	457,691	85,448	113,447
2009 YTD	46,750	53,971	180,573	14,891	97,748	393,933	85,766	111,966
2010 YTD as % of 2009 YTD	102	120	120	109	115	116	100	101
Last 4 weeks as % of 2009 ¹	116	114	121	108	113	117	110	107
Last 4 weeks as % of 3-yr avg. ¹	87	101	106	120	95	101	90	107
Total 2009	105,278	142,254	483,618	36,912	268,811	1,036,873	200,871	278,997

¹As a percent of the same period in 2008 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings

Source: Association of American Railroads

Table 5

Rail Car Auction Offerings¹ (\$/car)²

Week ending	Delivery period							
6/5/2010	Jun-10	Jun-09	Jul-10	Jul-09	Aug-10	Aug-09	Sep-10	Sep-09
BNSF ³								
COT grain units	6	no offer	no bids	1	no bids	1	no offer	1
COT grain single-car ⁵	0 . . 106	no offer	0 . . 10	0 . . 4	5 . . 25	0 . . 1	30	no bids
UP ⁴								
GCAS/Region 1	1	no bids	no bids	no bids	no bids	no bids	n/a	no offer
GCAS/Region 2	no bids	no bids	no bids	no bids	no bids	no bids	n/a	no offer

¹Auction offerings are for single-car and unit train shipments only.

²Average premium/discount to tariff, last auction

³BNSF - COT = Certificate of Transportation; north grain and south grain bids were combined effective the week ending 6/24/06.

⁴UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

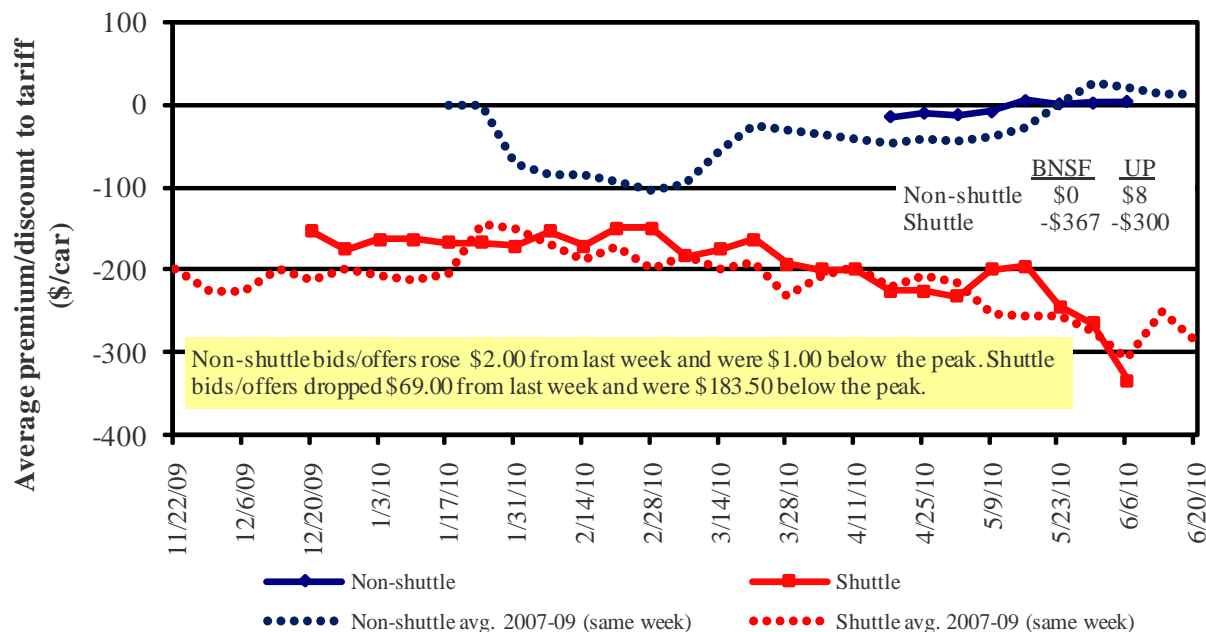
⁵Range is shown because average is not available. Not available = n/a.

Source: Transportation & Marketing Programs/AMS/USDA.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in June 2010, Secondary Market

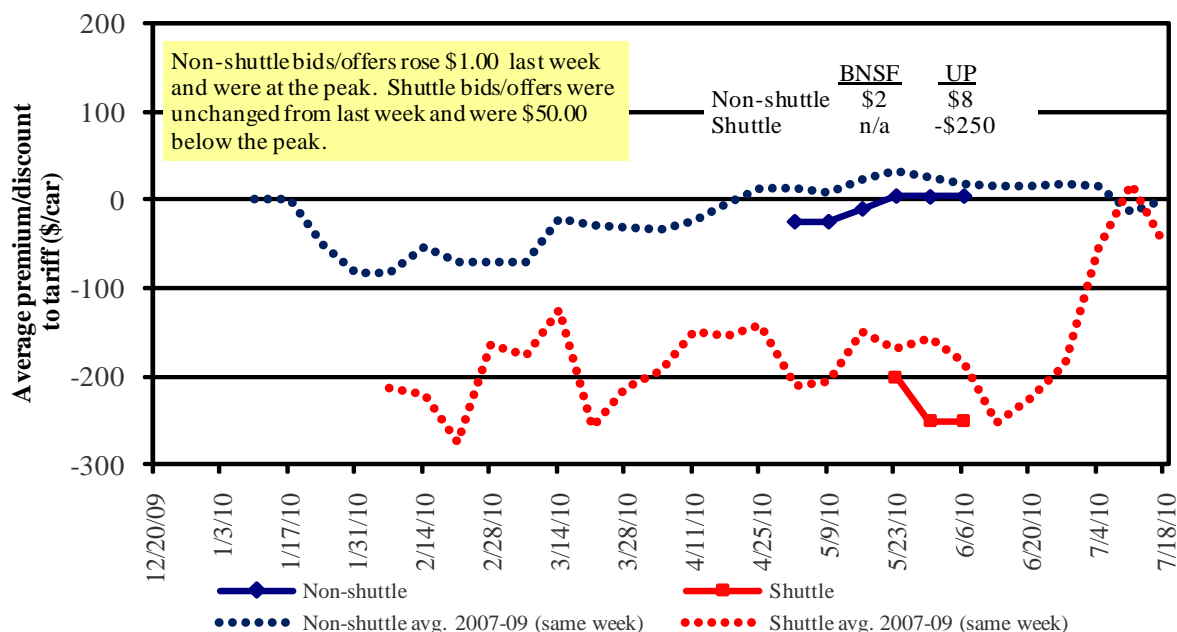


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in July 2010, Secondary Market

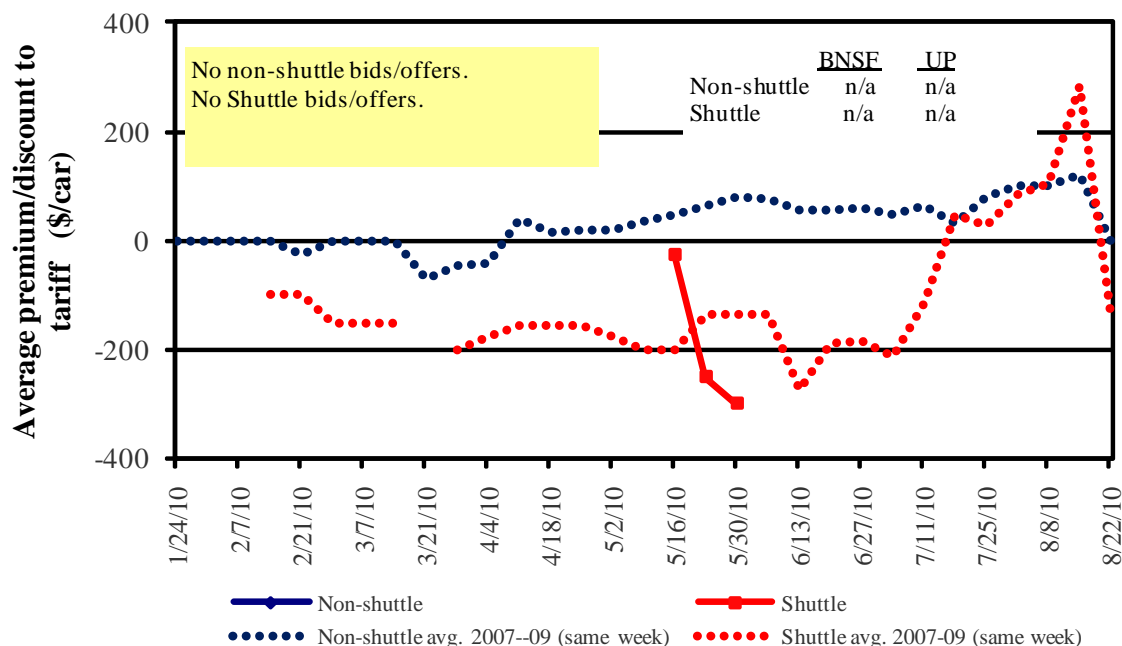


Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in August 2010, Secondary Market



Non-shuttle bids include unit-train and single-car bids. n/a = not available.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market (\$/car)¹

Week ending	Delivery period					
	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
Non-shuttle						
BNSF-GF	0	2	n/a	n/a	n/a	n/a
Change from last week	-4	2	n/a	n/a	n/a	n/a
Change from same week 2009	26	28	n/a	n/a	n/a	n/a
UP-Pool	8	8	n/a	n/a	n/a	n/a
Change from last week	8	0	n/a	n/a	n/a	n/a
Change from same week 2009	5	6	n/a	n/a	n/a	n/a
Shuttle²						
BNSF-GF	-367	n/a	n/a	0	n/a	n/a
Change from last week	-113	n/a	n/a	0	n/a	n/a
Change from same week 2009	27	n/a	n/a	n/a	n/a	n/a
UP-Pool	-300	-250	-300	n/a	n/a	n/a
Change from last week	-25	0	-50	n/a	n/a	n/a
Change from same week 2009	113	-125	n/a	n/a	n/a	n/a

¹ Average premium/discount to tariff, \$/car-last week

² Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

n/a = not available; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments¹

Effective date:							Percent
			Tariff	Fuel	Tariff plus surcharge per:		change
6/1/2010	Origin region	Destination region	rate/car	surcharge per car	metric ton	bushel ²	Y/Y ³
Unit train ¹							
Wheat	Chicago, IL	Albany, NY	\$2,622	\$159	\$30.65	\$0.83	10
	Kansas City, MO	Galveston, TX	\$2,828	\$165	\$32.99	\$0.90	18
	South Central, KS	Galveston, TX	\$3,805	\$323	\$45.50	\$1.24	16
	Minneapolis, MN	Houston, TX	\$3,799	\$654	\$49.09	\$1.34	14
	St. Louis, MO	Houston, TX	\$3,715	\$160	\$42.71	\$1.16	17
	South Central, ND	Houston, TX	\$5,478	\$727	\$68.40	\$1.86	10
	Minneapolis, MN	Portland, OR	\$4,200	\$795	\$55.06	\$1.50	14
	South Central, ND	Portland, OR	\$4,200	\$653	\$53.49	\$1.46	13
	Northwest, KS	Portland, OR	\$5,100	\$869	\$65.80	\$1.79	10
	Chicago, IL	Richmond, VA	\$2,834	\$237	\$33.85	\$0.92	18
Corn	Chicago, IL	Baton Rouge, LA	\$2,925	\$202	\$34.47	\$0.88	0
	Council Bluffs, IA	Baton Rouge, LA	\$3,020	\$216	\$35.67	\$0.91	0
	Kansas City, MO	Dalhart, TX	\$3,284	\$236	\$38.80	\$0.99	3
	Minneapolis, MN	Portland, OR	\$3,609	\$795	\$48.54	\$1.23	9
	Evansville, IN	Raleigh, NC	\$3,204	\$231	\$37.87	\$0.96	12
	Columbus, OH	Raleigh, NC	\$3,093	\$202	\$36.32	\$0.92	12
	Council Bluffs, IA	Stockton, CA	\$4,900	\$859	\$63.48	\$1.61	-2
Soybeans	Chicago, IL	Baton Rouge, LA	\$3,178	\$202	\$37.26	\$1.01	6
	Council Bluffs, IA	Baton Rouge, LA	\$3,192	\$216	\$37.57	\$1.02	7
	Minneapolis, MN	Portland, OR	\$4,110	\$795	\$54.07	\$1.47	13
	Evansville, IN	Raleigh, NC	\$3,204	\$231	\$37.87	\$1.03	12
	Chicago, IL	Raleigh, NC	\$3,804	\$288	\$45.10	\$1.23	11
Shuttle Train							
Wheat	St. Louis, MO	Houston, TX	\$2,972	\$160	\$34.52	\$0.94	19
	Minneapolis, MN	Portland, OR	\$3,700	\$795	\$49.55	\$1.35	13
Corn	Fremont, NE	Houston, TX	\$2,520	\$481	\$33.08	\$0.84	8
	Minneapolis, MN	Portland, OR	\$3,528	\$795	\$47.65	\$1.21	14
Soybeans	Council Bluffs, IA	Houston, TX	\$2,787	\$466	\$35.86	\$0.98	7
	Minneapolis, MN	Portland, OR	\$3,774	\$795	\$50.36	\$1.37	16

¹A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of 75-110 cars that meet railroad efficiency requirements.

²Approximate load per car = 100 short tons (90.72 metric tons): corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to Mexico

Effective date: 6/7/2010

Commodity	Origin state	Destination region	Tariff rate/car ¹	Fuel surcharge per car	Tariff plus surcharge per:		Percent change Y/Y ³
					metric ton	bushel ²	
Wheat	MT	Chihuahua, CI	\$6,291	\$740	\$71.84	\$1.95	12
	OK	Cuautitlan, EM	\$5,857	\$587	\$65.84	\$1.79	14
	KS	Guadalajara, JA	\$6,438	\$607	\$71.97	\$1.96	15
	TX	Salinas Victoria, NL	\$3,292	\$197	\$35.65	\$0.97	13
Corn	IA	Guadalajara, JA	\$6,670	\$704	\$75.34	\$2.05	11
	SD	Penjamo, GJ	\$6,440	\$968	\$75.69	\$2.06	9
	NE	Queretaro, QA	\$6,130	\$586	\$68.62	\$1.87	6
	SD	Salinas Victoria, NL	\$4,570	\$736	\$54.21	\$1.47	3
	MO	Tlalnepantla, EM	\$5,318	\$570	\$60.17	\$1.64	7
	SD	Torreon, CU	\$5,330	\$811	\$62.74	\$1.71	7
Soybeans	MO	Bojay (Tula), HG	\$6,066	\$606	\$68.17	\$1.85	10
	NE	Guadalajara, JA	\$6,550	\$695	\$74.03	\$2.01	12
	IA	Penjamo (Celaya), GJ	\$6,690	\$962	\$78.18	\$2.13	16
	KS	Torreon, CU	\$5,255	\$461	\$58.40	\$1.59	10
Sorghum	OK	Cuautitlan, EM	\$4,339	\$735	\$51.84	\$1.41	8
	TX	Guadalajara, JA	\$5,350	\$630	\$61.10	\$1.66	16
	NE	Penjamo, GJ	\$6,395	\$638	\$71.86	\$1.95	9
	KS	Queretaro, QA	\$5,398	\$450	\$59.75	\$1.62	4
	NE	Salinas Victoria, NL	\$4,282	\$463	\$48.48	\$1.32	4
	NE	Torreon, CU	\$5,240	\$525	\$58.90	\$1.60	8

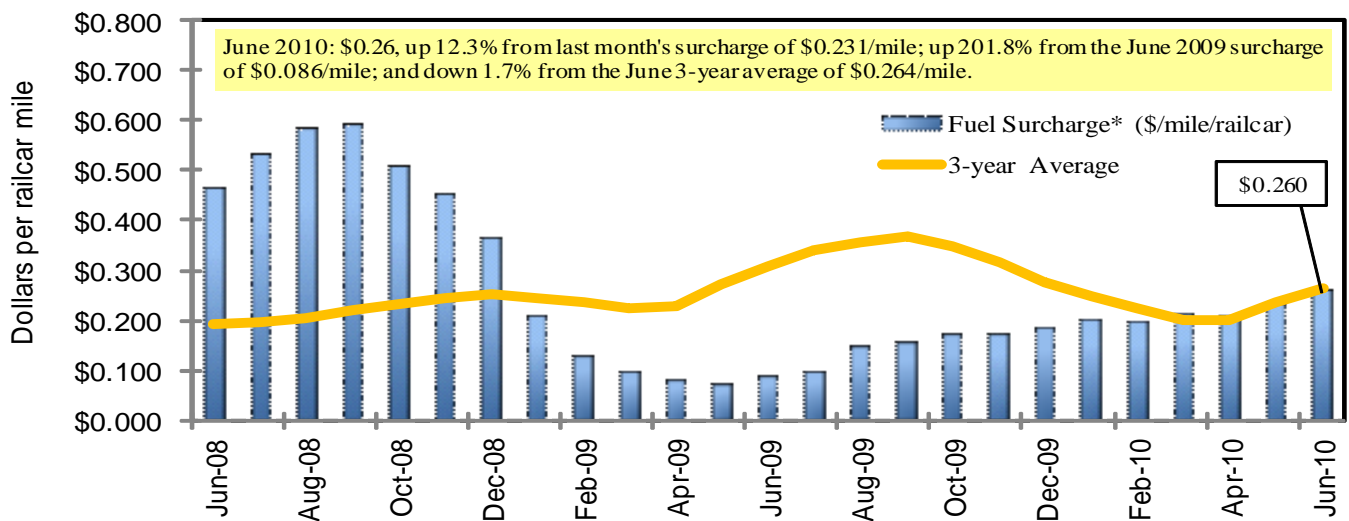
¹Rates are based upon published tariff rates for high-capacity shuttle trains. Shuttle trains are available for qualified shipments of 75--110 cars that meet railroad efficiency requirements.

²Approximate load per car = 97.87 metric tons: Corn & Sorghum 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

³Percentage change year over year calculated using tariff rate plus fuel surcharge

Sources: www.bnsf.com, www.uprr.com, www.kcsouthern.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average¹

¹ Weighted by each Class I railroad's proportion of grain traffic for the prior year.

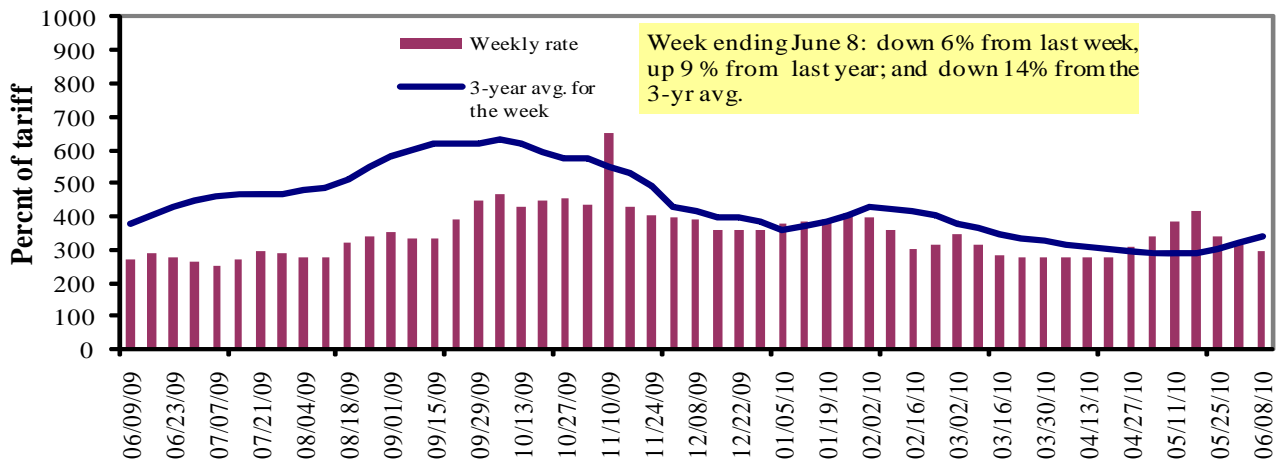
* Mileage-based fuel surcharges for March and April 2007 are estimated. Beginning January 2009, the Canadian Pacific fuel surcharge is computed by a monthly average of the bi-weekly fuel surcharge.

Sources: www.bnsf.com, www.cn.ca, www.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Freight Rate^{1,2}



¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average of the 3-year average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Freight Rates: Southbound Only

		Twin Cities	Mid- Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo- Memphis
Rate¹	6/8/2010	363	299	294	199	261	261	189
	6/1/2010	374	312	314	216	291	291	199
\$/ton	6/8/2010	22.47	15.91	13.64	7.94	12.24	10.54	5.93
	6/1/2010	23.15	16.60	14.57	8.62	13.65	11.76	6.25
Current week % change from the same week:								
	Last year	4	0	9	-1	27	27	2
	3-year avg. ²	-10	-17	-14	-26	-1	-2	-24
Rate¹	July	381	319	314	224	286	286	219
	September	525	516	513	485	518	518	489

¹Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); ²4-week moving average; ton = 2,000 pounds.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Figure 9
Benchmark tariff rates

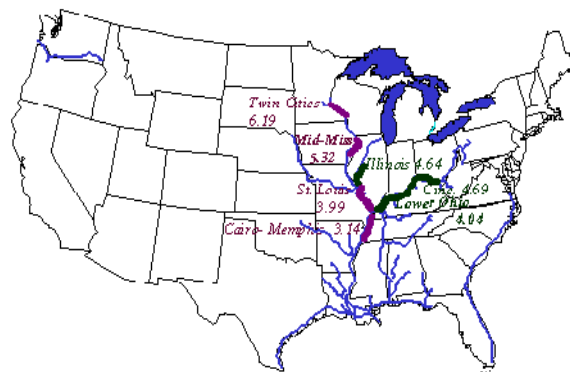
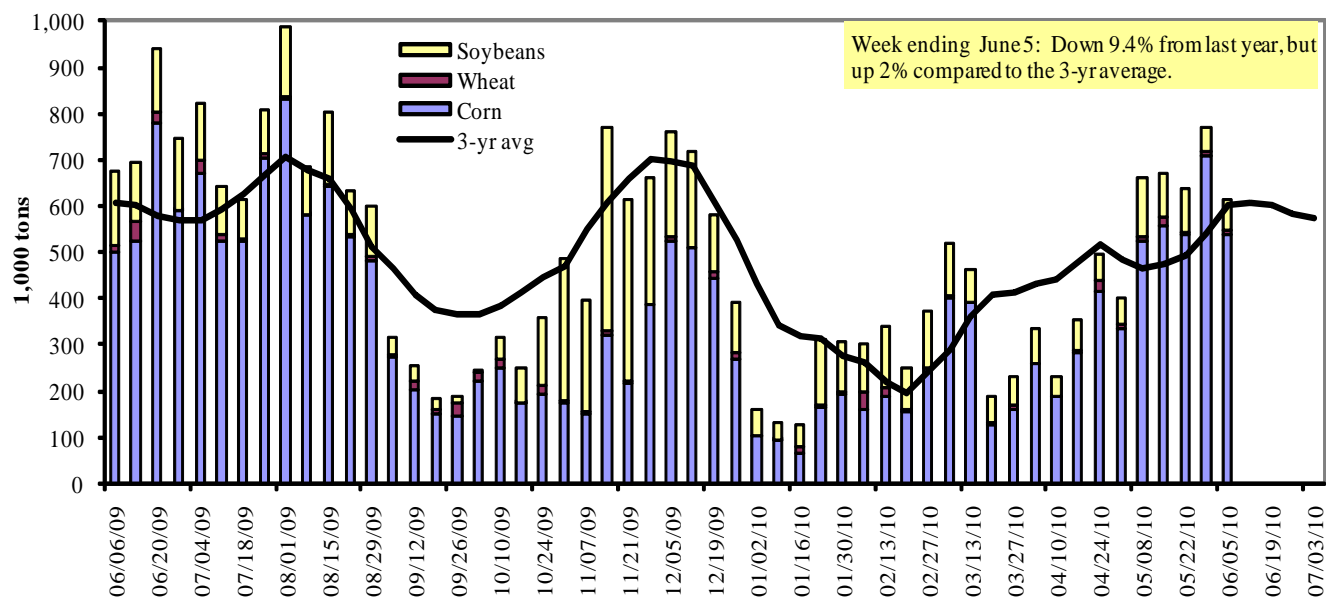


Figure 10

Barge Movements on the Mississippi River¹ (Locks 27 - Granite City, IL)

¹ The 3-year average is a 4-week moving average.

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webbrpts/default.asp)

Table 10

Barge Grain Movements (1,000 tons)

Week ending 6/5/2010	Corn	Wheat	Soybeans	Other	Total
Mississippi River					
Rock Island, IL (L15)	228	2	52	0	282
Winfield, MO (L25)	349	2	56	0	407
Alton, IL (L26)	586	6	64	0	656
Granite City, IL (L27)	541	6	67	0	614
Illinois River (L8)	223	5	5	0	233
Ohio River (L52)	107	2	37	0	145
Arkansas River (L1)	0	8	7	12	27
Weekly total - 2010	647	16	111	12	786
Weekly total - 2009	555	22	216	14	807
2010 YTD ¹	9,625	465	3,931	208	14,229
2009 YTD	9,622	514	4,199	192	14,527
2010 as % of 2009 YTD	100	90	94	108	98
Last 4 weeks as % of 2009 ²	128	115	55	135	108
Total 2009	23,424	1,501	10,465	430	35,819

¹ Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

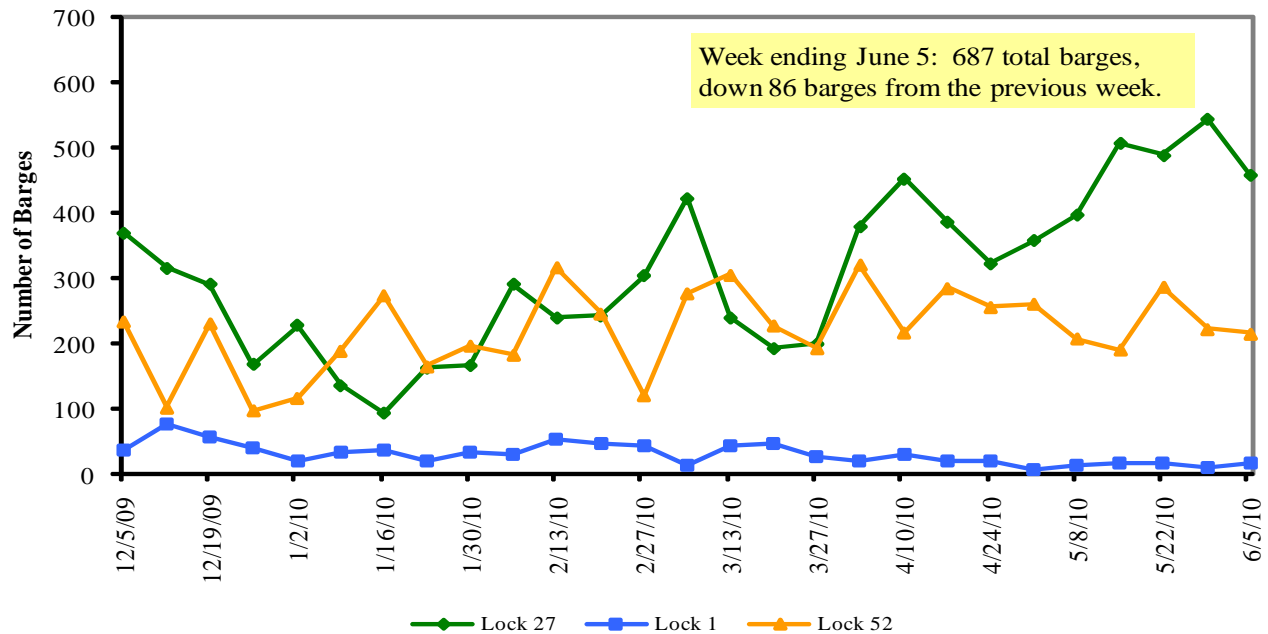
² As a percent of same period in 2009.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webbrpts/default.asp)

Figure 11

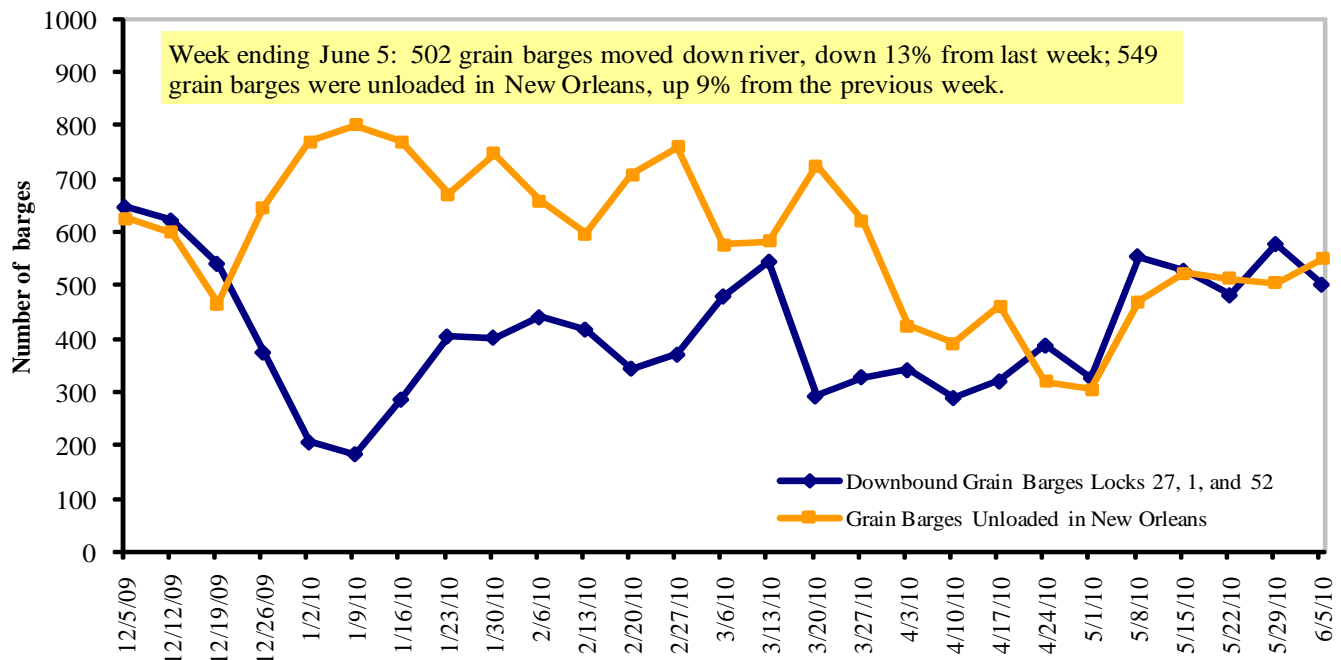
Upbound Empty Barges Transiting Mississippi River Locks 27, Arkansas River Lock and Dam 1, and Ohio River Locks and Dam 52



Source: U.S. Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: U.S. Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates as diesel fuel is a significant expense for truck grain movements.

Table 11

Retail on-Highway Diesel Prices¹, Week Ending 6/7/2010 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.973	-0.032	0.457
	New England	3.045	-0.019	0.479
	Central Atlantic	3.090	-0.031	0.471
	Lower Atlantic	2.916	-0.034	0.448
II	Midwest ²	2.904	-0.036	0.430
III	Gulf Coast ³	2.899	-0.037	0.425
IV	Rocky Mountain	3.020	-0.041	0.578
V	West Coast	3.058	-0.024	0.455
	California	3.068	-0.026	0.392
Total	U.S.	2.946	-0.034	0.448

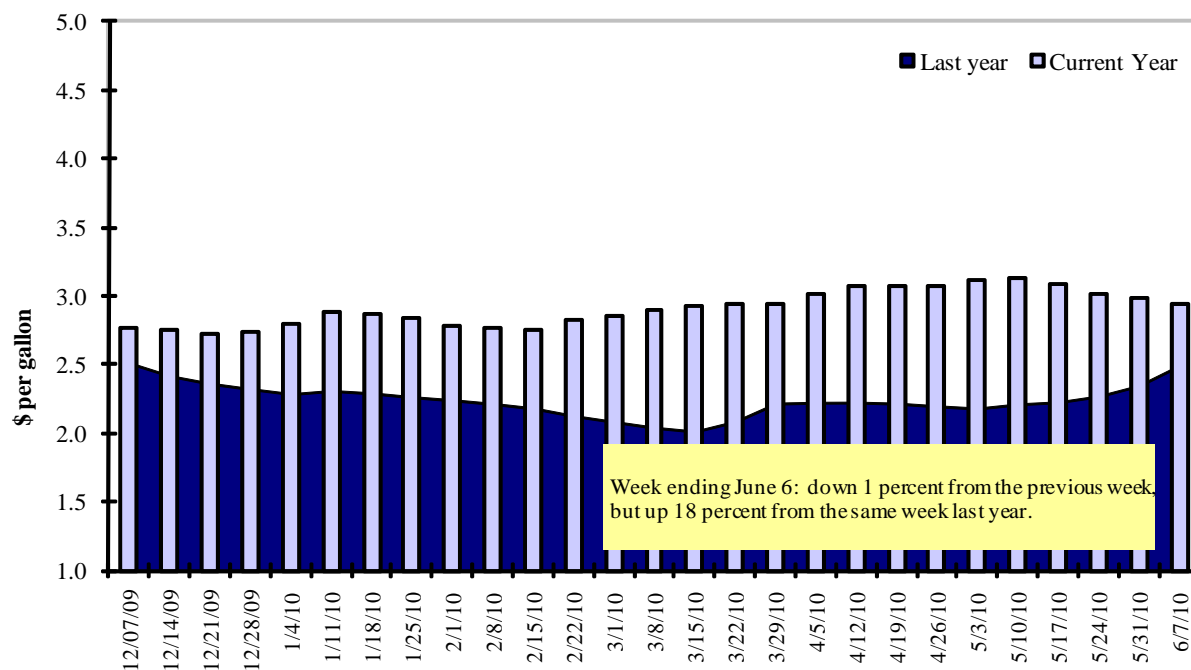
¹Diesel fuel prices include all taxes. Prices represent an average of all types of diesel fuel.

²Same as North Central ³Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

Wheat							Corn	Soybeans	Total
Week ending	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances ¹									
5/27/2010	340	252	323	258	40	1,213	10,262	2,166	13,641
This week year ago	358	170	304	168	5	1,005	9,386	4,443	14,834
Cumulative exports-marketing year ²									
2009/10 YTD	8,458	2,733	5,329	3,897	983	21,400	34,562	36,264	92,226
2008/09 YTD	11,244	5,100	5,408	3,420	454	25,626	31,523	29,293	86,442
YTD 2009/10 as % of 2008/09	75	54	99	114	217	84	110	124	107
Last 4 wks as % of same period 2008/09	174	146	139	196	1,785	170	118	47	100
2008/09 Total	11,244	5,100	5,408	3,420	454	25,626	44,650	33,705	103,981
2007/08 Total	13,709	5,568	7,842	4,191	1,075	32,385	59,666	30,411	122,462

¹ Current unshipped export sales to date

² Shipped export sales to date; the marketing year ends for wheat

Note: YTD = year-to-date. Marketing Year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers¹ of U.S. Corn

Week ending 05/27/10	Total Commitments ²			% change	Exports ³
	2010/11	2009/10	2008/09	current MY	
	Next MY	Current MY	Last MY	from last MY	2008/09
		- 1,000 mt -			- 1,000 mt -
Japan	121	13,227	13,745	(4)	15,910
Mexico	668	7,597	6,728	13	7,454
Korea	60	7,147	4,397	63	5,129
Taiwan	0	2,797	3,033	(8)	3,198
Egypt	55	2,074	1,500	38	2,233
Top 5 importers	904	32,842	29,404	12	33,924
Total US corn export sales	1,214	44,824	40,909	10	45,214
% of Projected	2%	90%	87%		
Change from Last Week	114	199	605		
Top 5 importers' share of U.S. corn export sales	74%	73%	72%		
USDA forecast, May 2010	50,800	49,530	47,180	5	
Corn Use for Ethanol USDA forecast, Ethanol May 2010	116,840	111,760	93,396	20	

(n) indicates negative number.

¹ Based on FAS Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.

² Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.

³ FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers¹ of U.S. Soybeans

Week ending 05/27/10	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
China	2,914	22,136	18,469	20	18,681
Mexico	50	2,962	2,846	4	3,098
Japan	56	2,177	2,388	(9)	2,410
EU-25	0	2,698	2,178	24	2,180
Taiwan	0	1,485	1,453	2	1,592
Top 5 importers	3,020	31,457	27,334	15	27,961
Total US soybean export sales	3,632	38,430	33,736	14	
% of Projected	10%	97%	97%		
Change from last week	13	135	(24)		
Top 5 importers' share of U.S. soybean export sales	83%	82%	81%		
USDA forecast, May 2010	36,740	39,600	34,930	13	
Soybean Use for Biodiesel USDA forecast, May 2010	6,954	5,275	4,566	16	

(n) indicates negative number.

¹Based on FAS 2006/07 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year (MY) = Sep 1 - Aug 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers¹ of All U.S. Wheat

Week Ending 05/27/2010	Total Commitments ²			% change current MY from last MY	Exports ³ 2008/09
	Next MY	Current MY	Last MY		
	- 1,000 mt -				- 1,000 mt -
Japan	251	3,363	3,271	3	3,103
Nigeria	416	3,501	2,779	26	2,661
Mexico	364	1,981	2,482	(20)	2,423
Egypt	0	456	1,928	(76)	1,928
Philippines	539	1,571	1,532	2	1,480
Iraq	0	307	1,205	(75)	1,205
Korea, South	226	1,209	1,146	6	1,127
Brazil	0	296	789	(63)	789
Colombia	117	575	789	(27)	749
Taiwan	73	844	714	18	714
Top 10 importers	1,985	14,103	16,635	(15)	16,179
Total US wheat export sales	3,072	22,613	26,543	(15)	27,640
% of Projected	13%	88%	96%		
Change from last week	294	(53)	104		
Top 10 importers' share of U.S. wheat export sales	65%	62%	63%		
USDA forecast, May 2010	24,490	25,840	27,640	(7)	

(n) indicates negative number.

¹Based on FAS 2008/09 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.²Cumulative Exports (shipped) + Outstanding Sales (unshipped), FAS Weekly Export Sales Report.³FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

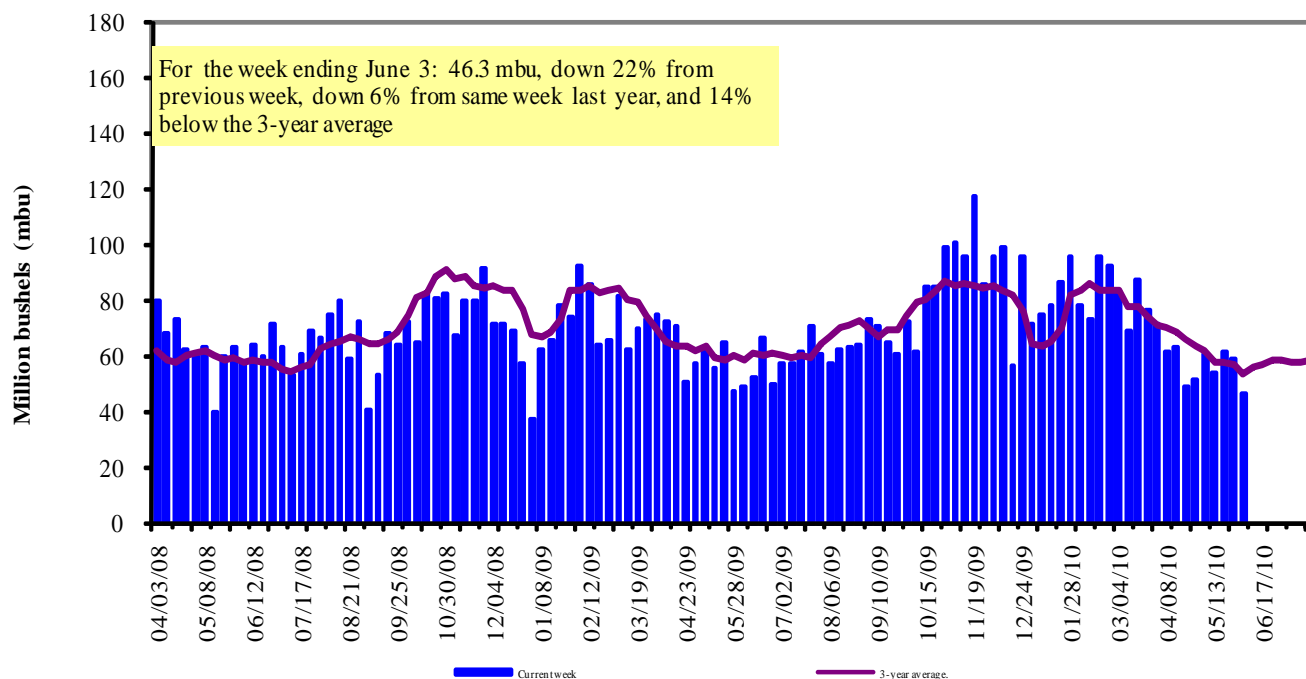
Grain Inspections for Export by U.S. Port Region (1,000 metric tons)							
Port regions	Week ending 06/03/10	2010 YTD ¹	2009 YTD ¹	2010 YTD as % of 2009 YTD	Last 4-weeks as % of		Total ¹ 2009
					2009	3-yr. avg.	
Pacific Northwest							
Wheat	162	4,457	4,234	105	83	92	10,091
Corn	120	4,148	3,408	122	130	88	8,498
Soybeans	0	4,263	3,743	114	22	16	9,743
Total	282	12,868	11,384	113	94	81	28,332
Mississippi Gulf							
Wheat	118	1,679	1,864	90	88	91	4,019
Corn	567	12,427	12,476	100	127	131	28,843
Soybeans	100	8,468	9,006	94	47	75	21,831
Total	785	22,573	23,347	97	100	115	54,693
Texas Gulf							
Wheat	100	3,283	2,254	146	115	100	5,735
Corn	40	916	711	129	403	428	1,968
Soybeans	0	667	472	141	n/a	n/a	2,402
Total	140	4,866	3,437	142	136	120	10,105
Great Lakes							
Wheat	0	197	101	194	182	81	990
Corn	0	31	53	58	56	34	353
Soybeans	0	0	54	0	0	0	781
Total	0	228	208	109	68	48	2,124
Atlantic							
Wheat	0	74	197	37	16	8	552
Corn	0	165	59	280	314	192	472
Soybeans	4	603	409	148	22	33	1,268
Total	4	842	664	127	74	76	2,292
U.S. total from ports ²							
Wheat	380	9,690	8,651	112	94	93	21,387
Corn	727	17,686	16,707	106	132	120	40,134
Soybeans	104	14,001	13,683	102	41	56	36,025
Total	1,211	41,376	39,041	106	101	102	97,546

¹ Includes weekly revisions, some regional totals may not add exactly due to rounding.² Total includes only port regions shown aboveSource: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, this includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 62 percent of the U.S. export grain shipments departed through the U.S. Gulf region in 2009.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

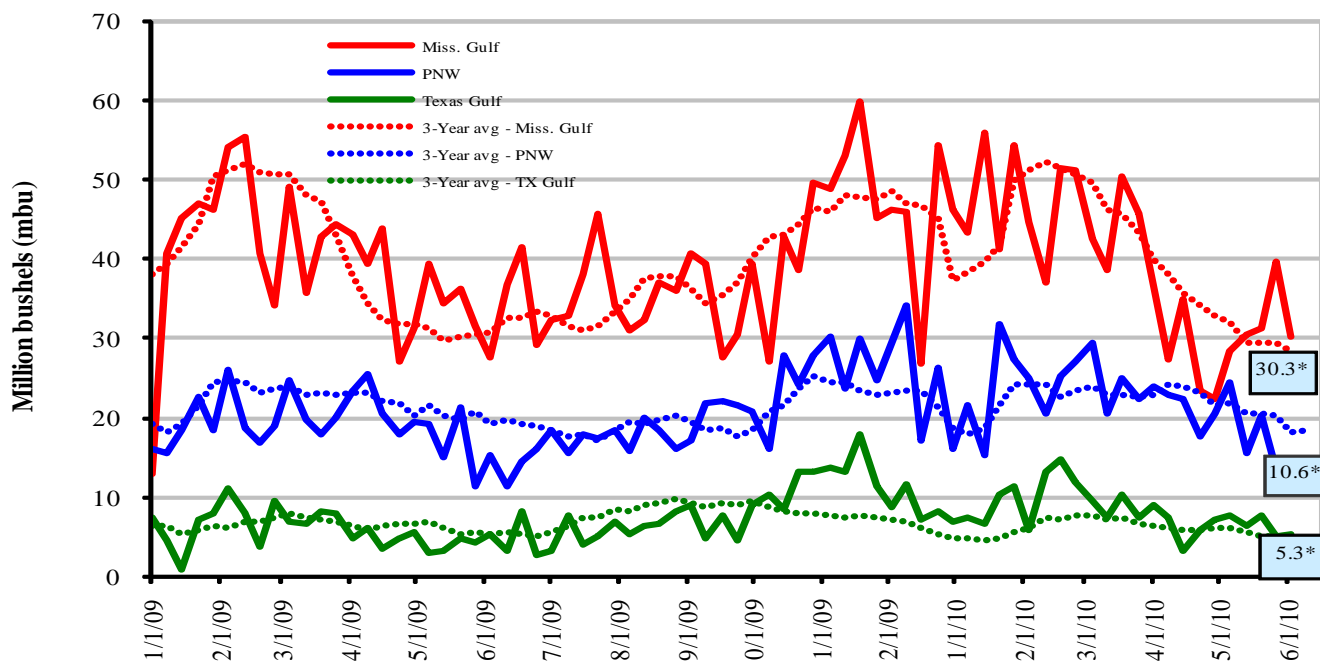


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

U.S. Grain Inspections: U.S. Gulf and PNW¹ (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); *mbu, this week.

June 3, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 24	up 3.4	down 21	down 20
Last year (same week)	up 10	up 0.2	up 8	down 30
3-yr avg. (4-wk mov. avg.)	up 6.2	up 4.5	up 6	down 13.4

Ocean Transportation

Table 17

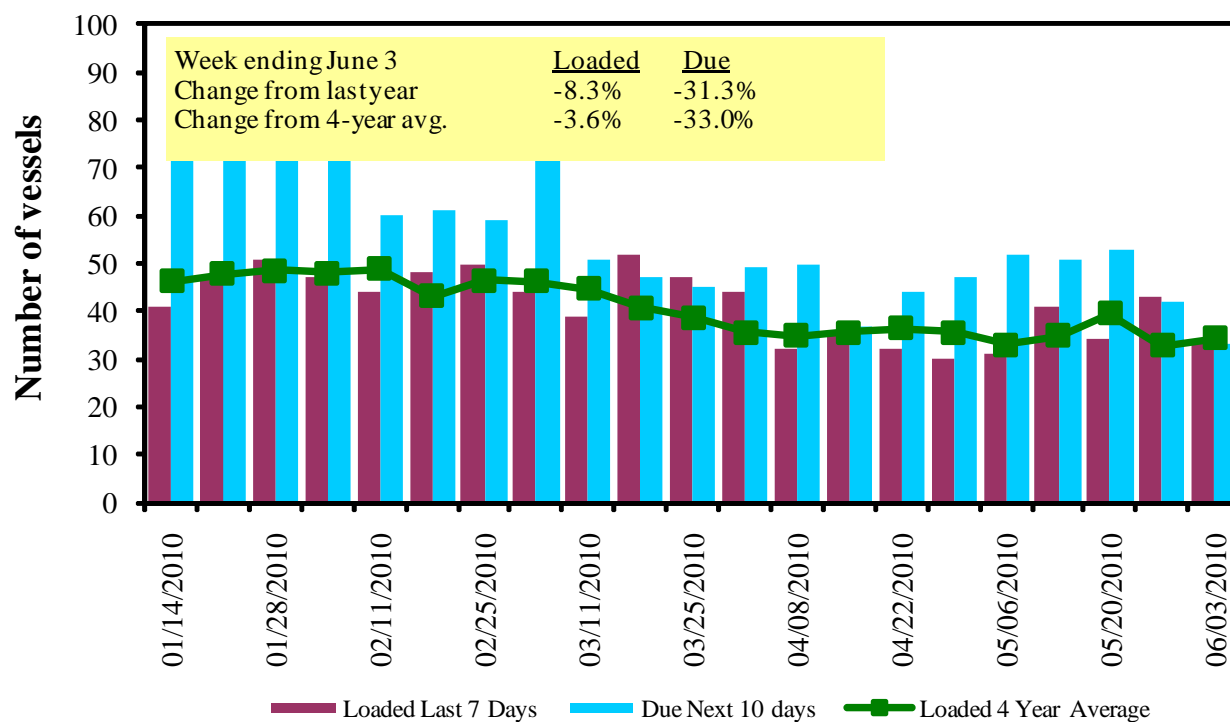
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
6/3/2010	22	33	33	6	11
5/27/2010	32	43	42	8	7
2009 range	(18..72)	(21..57)	(37..86)	(2..19)	(3..19)
2009 avg.	37	39	55	10	9

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

U.S. Gulf¹ Vessel Loading Activity

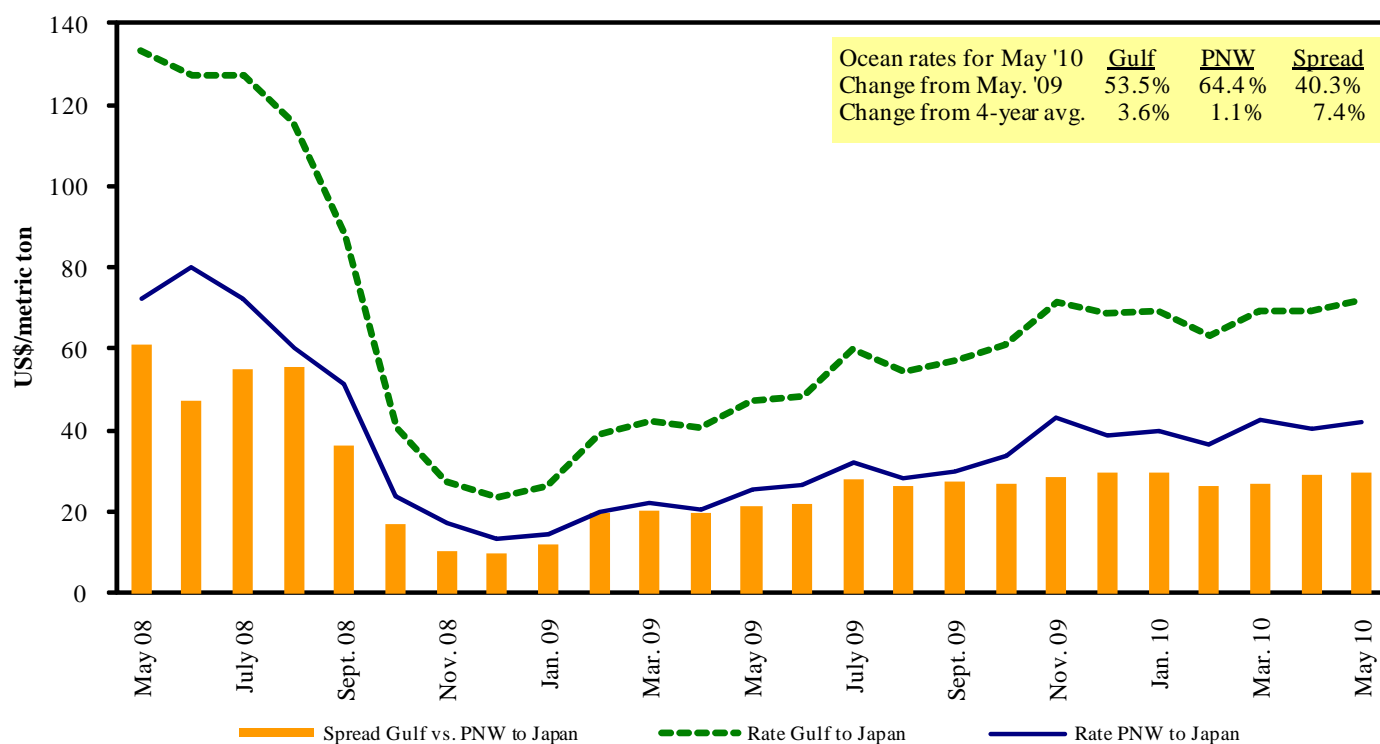


Source: Transportation & Marketing Programs/AMS/USDA

¹U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17

Grain Vessel Rates, U.S. to Japan



Source: O'Neil Commodity Consulting

Table 18

Ocean Freight Rates For Selected Shipments, Week Ending 6/5/2010

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US\$/metric ton)
U.S. Gulf	Djibouti ¹	Wheat	Apr 5/15	23,000	134.65
U.S. Atlantic	Poland	Soybeans	Mar 9/15	24,000	50.00
U.S. Gulf	Morocco	Wheat	Mar 15/25	30,000	46.00
U.S. Gulf	Morocco	Wheat	Feb 25/28	30,000	41.00
U.S. Gulf	Morocco	Wheat	Feb 8/10	25,000	46.00
St. Lawrence	Morocco	Wheat	Apr 27/ May 5	21,000	38.75
Ukraine	Saudi Arabia	Barley	May 20/30	35,000	42.00
France	Algeria	Wheat	May 25/30	25,000	31.00
France	Algeria	Wheat	May 10/20	25,000	26.75
France	Algeria	Wheat	Apr 5/15	25,000	25.50
River Plate	Algeria	Soybeanmeal	May 28/31	25,000	69.00
River Plate	Denmark	Soybeanmeal	Apr 24/28	25,000	65.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

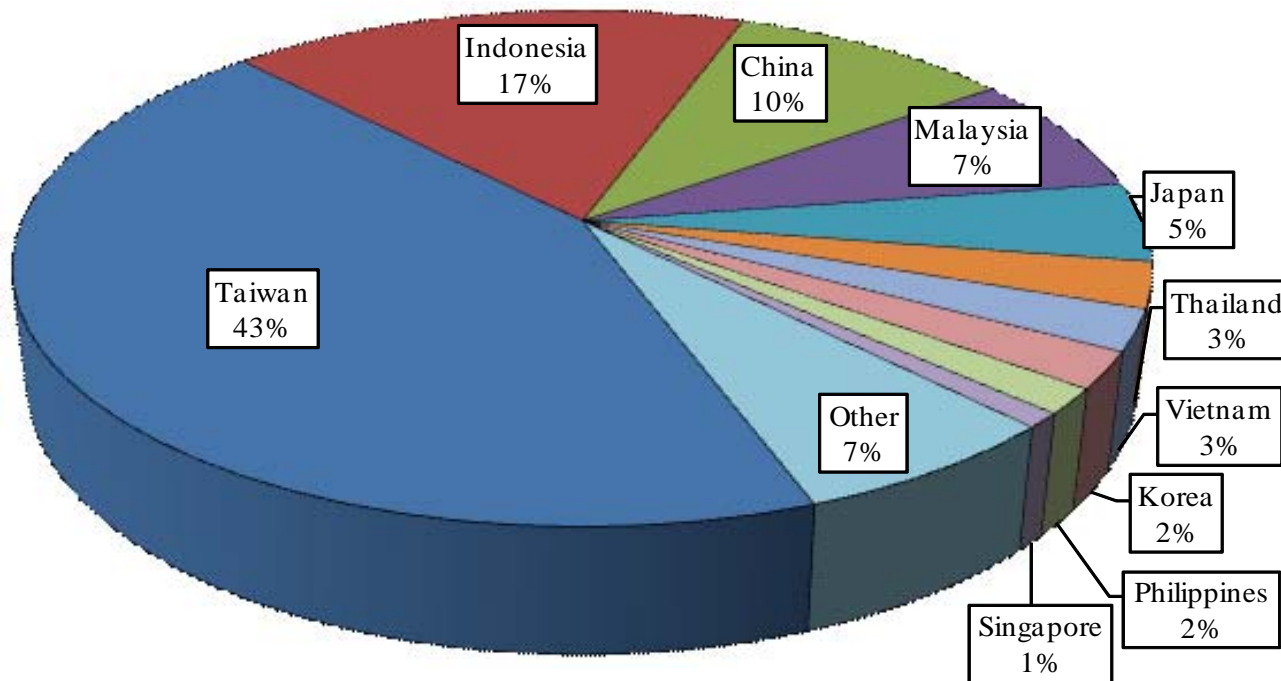
¹75 percent of food aid from the United States is required to be shipped on U.S.-flag vessels.

Source: Maritime Research Inc. (www.maritime-research.com)

In 2009, containers were used to transport 5 percent of total waterborne grain exports, and 6 percent of U.S. grain exports to Asia.

Figure 18

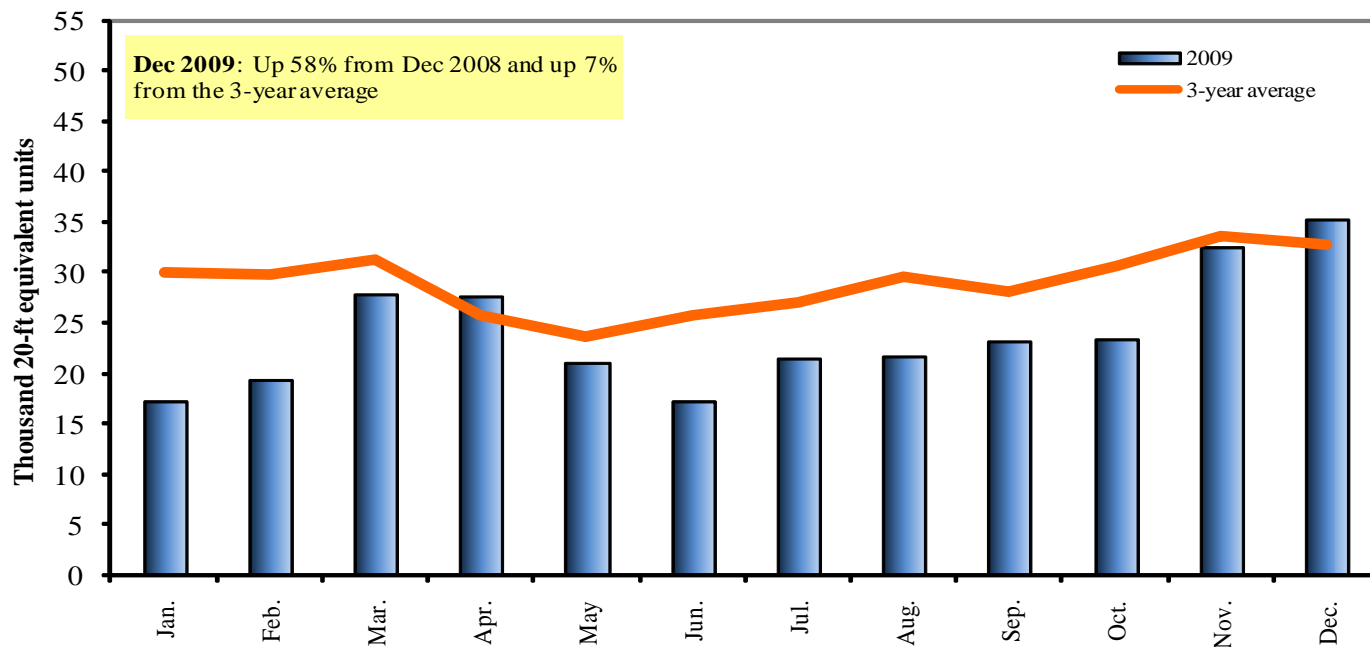
Top 10 Destination Markets for U.S. Containerized Grain Exports, December 2009



Source: Port Import Export Reporting Service (PIERS)

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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